



WISCONSIN REGULATORY DIGEST

A Publication of the DEPARTMENT OF REGULATION AND LICENSING FOR HOME INSPECTORS

Volume 1, No. 2

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New Committee Members

You will find two new names in the list of committee members printed below. We welcome Rita McCain and Brian VandeHeuvel to the committee. We appreciate their offering of time and effort to work with the Department to make the regulation of home inspectors more effective and efficient.

Three names are no longer on the list. William Arnold (Madison) resigned because of other demands on his time. Gina Gruba (Green Bay) was no longer eligible to be on the committee, because, even though she is involved in home inspections, she is not a registered home inspector. Robert Epps has moved to Tennessee. We appreciate the attendance of Ms. Gruba and Messrs. Arnold and Epps at 8 meetings over a period of 18 months and their direct involvement in the preparation of new administrative rules for home inspectors.

HOME INSPECTOR ADVISORY COMMITTEE

Members of the Committee

Jerome G. Baumgardt (Elm Grove)
Larry Engen (Hazelhurst)
Mark Jankowski (Portage)
Norbert Lovata (Madison)
Rita McCain (Milwaukee)
Rick Staff (Madison)
Mark Thomas (Milwaukee)
Brian Vandeheuvel (Green Bay)
Vacancy (Public Member)

Administrative Staff:

Cletus J. Hansen, Division Administrator

Executive Staff:

Marlene A. Cummings, Secretary
William Conway, Deputy Secretary
Myra Shelton, Executive Assistant

Direct Licensing Enforcement Committee

Two members of the home inspection industry have been appointed to the Department's Direct Licensing Enforcement Advisory Committee.

They are Paul Dehler (Brookfield) and Thomas Greenwaldt (Waukesha). As committee members, Mr. Dehler and Mr. Greenwaldt will review certain complaints, submitted by members of the public against registered home inspectors, and make recommendations to the Department regarding opening an investigative file. They will also act as case advisors and make recommendations to investigators and attorneys regarding the investigations and the type of discipline, if any, that should be taken in certain cases.

As mentioned in the last issue of the Regulatory Digest, the new law gives the Department two alternatives for processing complaints against home inspectors. One procedure involves the creation of a registry. The other involves a more lengthy investigation and possible prosecution process. Most complaints will be processed under the registry procedure; however, certain more serious complaints will go the investigation route.

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No Additional License Needed

In 1999 the Federal Housing Administration of the U. S. Department of Housing and Urban Development (HUD) announced the roll-out of a new Homebuyer Protection Plan. For a while it appeared that there would be a question whether licensed or certified appraisers would have to be registered as home inspectors to complete the new Valuation Condition Sheet required by HUD. However, it soon became evident that an additional license is not needed by appraisers who complete the Valuation Condition Sheet. There is an exemption in the home inspector statutes relating to persons who conduct a home inspection while lawfully practicing within the scope of a license, permit or certificate granted by a state governmental agency.

Home inspectors should be pleased to know that appraisers must give to purchasers a copy of two additional documents: "For Your Protection: Get a Home Inspection" and "Notice to the Homebuyers."

Registration Statistics

As of July 12, 2000, there were 942 registered home inspectors in Wisconsin.

Home Inspector Report - April 2000

On April 4, 2000, the first Home Inspectors Annual Report was sent to Senate Majority Leader, Charles Chvala, and the Speaker of the House, Scott Jensen.

The narrative portion of the reports follows:

Pursuant to the reporting requirements contained within Wisconsin Statutes 440.979, the Wisconsin Department of Regulation and Licensing (DORL) is submitting this report to the legislature on the status of Home Inspector regulation in the State of Wisconsin.

BACKGROUND:

The Wisconsin Act which authorized the DORL to begin regulation of the Home Inspector profession was 1997 Wisconsin Act 81. It was enacted on April 13, 1998 and published on April 27, 1998, with a delayed implementation date of November 1, 1998. Since that date, any person conducting home inspections in Wisconsin has been required to be registered with the Wisconsin Department of Regulation and Licensing.

There are, however, a few exemptions in the law. Generally speaking, every individual who acts as a home inspector, every individual who uses the title "home inspector," every individual who uses any title or description that implies that he or she is a home inspector, and every individual who represents themselves as a home inspector must be registered with the DORL.

However, a business entity is not required to be registered by the DORL. A business entity may

provide home inspection services and it may use the title "home inspectors" to describe itself, if all of the home inspectors employed by it are registered with the DORL. There are also other exemptions to registration, such as those individuals who are engaged in conducting inspections in the normal course of their employment by a federal, state or local governmental agency; those individuals who conduct energy-related audits; and those individuals who conduct home inspections while lawfully practicing within the scope of a license, permit or certificate granted to them by a state governmental agency.

For purposes of successfully implementing this new law, a Home Inspector Advisory Committee was appointed in 1998. This committee was charged with developing recommendations concerning administrative rules which would be needed to implement the new law and to provide input on examination and application materials that would be needed. This committee has met nine times since April 27, 1998. A roster of current committee members is included as Attachment A.

NUMBER OF INSPECTORS:

From September, 1998, to December 31, 1998, the DORL registered 515 individuals as home inspectors in Wisconsin. From January 1, 1999 to December 31, 1999, an additional 340 individuals were registered.

NUMBER AND NATURE OF COMPLAINANTS

From the time the law was implemented and through December 31, 1999, there was a total of 22 complaints filed with the DORL regarding home inspection services rendered in Wisconsin. For a description of each of these complaints and information regarding resolution, please refer to Attachment B.

COSTS INCURRED BY HOME INSPECTORS:

Individuals seeking registration as a home inspector in Wisconsin must submit a fee of \$44 with their application materials. Candidates must then pass the appropriate examination before they can be registered in Wisconsin.

Until November 1, 2000, new applicants may be registered after passing a 32-question examination based solely on the statutes contained in 1997, Wisconsin Act 81. The cost of taking this examination is \$39. However, new applicants and all other persons registered before November 1, 2000, must also pass Part Two of the examination process, which consists of 34 questions regarding administrative rules and a 200-question exam segment known as the National Home Inspector Exam. This national exam, developed by the Examination Board of Professional Home Inspectors, covers appropriate procedures for conducting home inspections. Candidates must pay \$195 to take this national exam. After December 31, 2000, the statutes and rules will be covered in one exam, administered by the department.

When application and all examination fees are included, successful home inspector candidates will spend \$317 to complete the application/examination process.

In addition, individuals registered as Home Inspectors in Wisconsin are also statutorily required to obtain 40 hours of continuing education every two years. Estimated cost of this continuing education requirement is \$500.

COSTS INCURRED BY THE DEPARTMENT:

The department has incurred the following approximate costs in conjunction with implementation of this statute through December 31, 1999:

Salary/Benefits:	\$15,790	(50% of Program Assistant 3 salary and benefits)
Examination:	\$7,287	(includes site rental, item writers, examiners, freight, proctor fees)
Mailing Costs:	\$1,000	(includes cost of printing & mailing applications & other information)
Other Costs:	\$6,000	(includes administrative, legal and data processing work)
TOTAL:	\$30,077	

The report contains an additional 4½ pages that describe the complaints received against home inspectors. If you would like to receive a complete copy of the 9-page report, please send to the address at the top of Page 4 a mailing label and a check for \$1.50, made out to the Department of Regulation and Licensing.

Complaints Received After January 1, 2000

The Home Inspector Report lists complaints received up to December 31, 1999. So far during 2000 the Department has received 9 complaints against registered home inspectors.

Examinations

The Department has entered into an agreement with the Examination Board of Professional Home Inspectors, Inc. (EBPHI), for administration of the Wisconsin home inspector examinations. EBPHI is an independent, not-for-profit entity, founded for the specific purpose of developing and administering the National Home Inspector Examination (NHIE). The NHIE was formerly administered by the American Society of Home Inspectors solely as a requirement for membership.

The Department will send exam brochures and application materials to persons who request such materials. Note, too that the information in the brochure about the contents of the exam is very nicely augmented by information at the following Web site: <http://www.homeinspectionexam.org/>

Every home inspector that was registered at any time before November 1, 2000, will be required to have completed the National Home Inspector Exam, the Wisconsin statutes exam and the Wisconsin rules exam by December 31, 2000, or the home inspector will not be permitted to renew until the home inspector has completed all 3 segments of the exam. There are penalties for late renewal. A home inspector who does not satisfy the exam requirement on time may not conduct home inspections until the home inspector has received a renewed home inspector certificate of registration.

“Crunch” Time is Rapidly Approaching

Home inspectors should carefully evaluate where they stand as far as completion of certain required exams and continuing education by December 31, 2000, is concerned.

Continuing Education

If you were registered before January 1, 2000, you must have completed 40 hours of continuing education by December 31, 2000, in order to renew your registration on time and without penalty. If you were registered on or after January 1, 2000, you must complete 20 hours of continuing education by December 31, 2000. Providers of continuing education must give you a certificate of completion. You will have to send to the department all your certificates of completion **only** if we request them as part of a random sample survey. If you still need continuing education hours, you may want to review the article that was published in the last issue of the Regulatory Digest for information about education providers.

Restructuring of Exam

The Director of the Department’s Exam Center has requested that the Department revise the administrative rules, so that they clearly state that the exam has two parts: Part I – the National Home Inspector Exam. Part II – the Wisconsin statutes and rules exam. Look for more information in the next issue of the Regulatory Digest.

New Credential Holder Query

Be sure to check out the department’s new credential holder query feature on the Internet. You will find it at <<http://www.drl.state.wi.us>>.

By accessing this site you will be able to verify whether an individual or business entity holds or has held a license in any of the professions regulated by the department. You will also find a list of the licensed employees under each real estate broker and certain business entities.

Department of Regulation and Licensing
Home Inspectors Section
P.O. Box 8935
Madison, WI 53708-8935

RETURN SERVICE REQUESTED

REGULATORY DIGEST

Bulk Rate
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Telephone Directory

The Division of Business Licensure & Regulation has a menu telephone system which is designed to more efficiently direct the caller to the appropriate section. The telephone number for staff is:

(608) 266-5511

After dialing this number you are asked to press 1, 2, 3 or 4. For the following requests, please press extension numbers as noted:

Application Forms	Ext. 11
Complaints Against Licensees	Ext. 12
Whether A Person Is Registered	Ext. 442
Application Processing & Requirements	Ext. 43
Fax Number (608) 267-3816	

Visit the Department's Web Site

<http://badger.state.wi.us/agencies/drl/>
Send comments to dorl@drl.state.wi.us

Wisconsin Statutes and Code

Copies of the "Statutes and Administrative Code Relating to the Regulation of Home Inspectors" can be ordered from the Department.

Include your name, address, county and a check payable to the Department of Regulation and Licensing in the amount of \$5.28. The latest edition is dated December 1999. New registrants receive a copy free of charge

Change of Name or Address?

Please photocopy the mailing label of this digest, make changes in name or address, and return it to the Department. Confirmation of changes is not automatically provided.

WIS. STATS. S. 440.11 ALLOWS FOR A \$50 PENALTY TO BE IMPOSED WHEN CHANGES ARE NOT REPORTED WITHIN 30 DAYS.

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